

No. 177

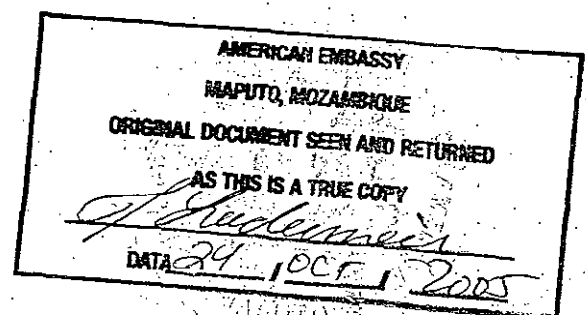
The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and Cooperation of the Republic of Mozambique and has the honor to propose the establishment of a mutual basis for reciprocal property ownership rights for the diplomatic and consular missions of each country should a mission desire to acquire property in the receiving state.

The Embassy further requests that it be granted the right to acquire without any charges imposed by the Government of the Republic of Mozambique, pursuant to this arrangement, the property composed of approximately four of the approximately six hectares referred to as the "Four Seasons Hotel Site" in Maputo for the purpose of building a new Embassy facility for its long-term diplomatic requirements.

The Embassy therefore proposes that in exchange for the right of Mozambique to purchase diplomatic and consular property in the United States, the Government of Mozambique grant to the United States the following rights with regard to the acquisition of the "Four Seasons Hotel Site" property as well as future diplomatic property acquisitions:

- a. *that the Government of the United States of America will be granted all exemptions to which it is entitled under international treaty, convention and law, and the laws of Mozambique, from all national, provincial and municipal taxes, charges, fees and other official costs associated with acquisition, ownership, use, development or transfer of land and buildings, whether owned by the municipal government, or other agency of government or private party;*

DIPLOMATIC NOTE



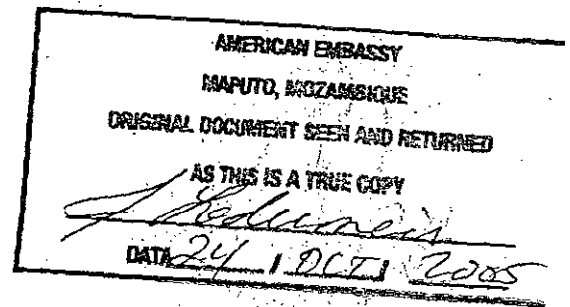
- b. that the Government of the United States of America is granted the following property rights in lieu of fee simple ownership for all property acquisitions:

- 1) to lease land and buildings for an initial term of 50 years, with three automatic 50-year renewals at no additional cost;
- 2) to make one up-front lump-sum payment for the lease and all extensions of the lease;
- 3) to transfer the land, lease and buildings freely to any third party, subject to the approval of the Government of the Republic of Mozambique;
- 4) to convert the lease to fee simple ownership at no additional cost if the law changes to permit such ownership.

In respect of the Four Seasons Hotel site, the following three elements shall also apply:

- a. that the Government of the United States of America can obtain the land for the purposes of construction of a new Embassy facility;
- b. that there are no zoning or other development restrictions preventing our construction of new facilities, other than generally applicable local building regulations and codes;
- c. that the Republic of Mozambique assumes all liability arising from the application of its domestic laws, and in particular laws governing the nationalization of property, as well as its obligations under international law, and in this connection, will settle all conflicts from third parties in respect of the United States of America's rights to the site arising from the application or operation of such laws.

The Embassy also refers to the Ministry's Note Verbale number 6831 dated December 30, 2004 and advises that it has no objection to the conditions outlined therein with respect to the Four Seasons site.



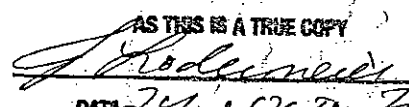
The Embassy of the United States of America avails itself of the opportunity to renew to the Ministry of Foreign Affairs and Cooperation of the Republic of Mozambique the assurances of its highest consideration.

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Embassy of the United States of America,

Maputo, September 21, 2005



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| AMERICAN EMBASSY |
| MAPUTO, MOZAMBIQUE |
| ORIGINAL DOCUMENT SEEN AND RETURNED |
| AS THIS IS A TRUE COPY |
|  |
| DATE <u>24.10.2005</u> |



Translation

Republic of Mozambique
Ministry of Foreign Affairs and Cooperation

No. 123/DAJC/MINEC/05

The Ministry of Foreign Affairs and Cooperation presents its compliments to the Embassy of the United States of America at Maputo and, with reference to Note Verbale No. 177 of September 21, 2005, has the honor to inform it that it accepts the proposal for the establishment of a reciprocal agreement on ownership rights for the diplomatic and consular missions of each country, if one of the missions seeks to acquire property in the receiving country.

The Ministry further informs the Embassy that it has no objection to the acquisition by the Embassy, under said Agreement, of the property known as the "Four Seasons Hotel," under the terms and conditions set forth in the Embassy's note.

[Complimentary close]

Maputo, October 7, 2005

[Initialed]

[Ministry stamp]

Embassy of the United States of America,
Maputo.